

(Washington, DC)— Congresswoman Gwen Moore (D-Wisc.) today announced that five organizations in Wisconsin's Fourth Congressional District will receive a combined \$320 million in allocation authority through the U.S. Treasury Department's New Market Tax Credits Program (NMTC). Under this program – part of the Community Development Financial Institutions (CDFI) fund – taxpayers who invest in a Community Development Entity (CDE) are allowed to claim a tax credit. Then, the CDEs must use substantially all (85 percent) of their proceeds to make investments in low-income communities.

The five Milwaukee-area CDEs receiving allocations include Waveland Community Development (\$100 million), Wisconsin Community Development Legacy Fund (\$85 million), First-Ring Industrial Redevelopment Enterprise (\$70 million), M&I New Markets Fund (\$40 million), and the Milwaukee Economic Development Corporation (\$25 million).

“Many abandoned and rundown industrial sites sit idle because there's a lack of affordable financing to help get rehabilitation projects off the ground,” Congresswoman Moore said. “The New Market Tax Credit allocations will help create a critical pool of capital enabling institutions to provide low-interest loans to minority-owned businesses and to make investments in economically-distressed areas and blighted industrial sites, including those in Milwaukee,” Congresswoman Moore said. “These businesses and properties desperately need a steady and reliable source of investment so that they can prosper. The result will be job creation by small businesses that have the necessary investment to grow, and transformative economic development that holds positive benefits for all of Milwaukee.”

Waveland Community Development (WCD) will use its \$100 million allocation to invest in businesses and real estate projects that demonstrate a capacity for catalytic change in economically-distressed communities. WCD works with and invests in women and minority-controlled businesses, as well as companies located in minor urban and more removed rural areas.

“Waveland Community Development (WCD) is honored to have been awarded a \$100 million New Market Tax Credit allocation by the United States Treasury,” said CEO Rick Hayes. “This award, the second for WCD, will provide the much needed catalyst for investment in deserving small businesses and commercial real estate projects located in low and moderate income areas across the United States. WCD would like to thank Congresswoman Gwen Moore for being the strongest of allies, and a long time advocate for increasing the availability of capital for small and minority-owned businesses in the State of Wisconsin.”

The Wisconsin Community Development Legacy Fund (WCDLF) will use its \$85 million allocation to bring equity equivalent financial capital and low-cost senior debt currently not available in the low-income communities of the state. In Milwaukee, WCDLF will target investments that provide employment and entrepreneurship opportunities with a focus on the minority population.

“Wisconsin Development Legacy Fund, Inc. (“WCDLF”) is pleased to announce that it has received \$85 million New Market Tax Credit allocation from the United States Treasury Department,” said Chairwoman and CEO Deloris Sims. “This award will be used to assist Legacy Bank in providing the much needed catalyst for investment in small businesses in underserved community and commercial real estate projects located in low and moderate income areas in the City of Milwaukee. Legacy Bancorp Inc. is honored to be awarded among the 260 applicants by the United States Treasury Department. This award will allow us to stabilize unemployment in urban and rural Wisconsin.”

M&I New Markets Fund in Milwaukee will use its \$40 million allocation to make loans and purchase loans from other Community Development Entities (CDEs) in low-income communities, and to support the development of office, industrial, retail, residential, mixed-use and community facilities. This allocation will allow M&I to target areas of high distress by offering more flexible products. M&I intends to offer below-market loans that are 300 to 450 basis points lower than the market rate, zero fee loans, interest-only payments, loan-to-value ratios as high as 100 percent, amortization periods that can extend beyond 30 years, and debt service coverage ratios as low as 1:1.

“M&I is pleased to have been awarded \$40 million in New Markets Tax Credits,” said Vincent Lyles, President of M&I Community Development Corporation. “Funding of this kind plays a critical role in our ability to assist individuals and businesses in low-income communities. Specifically, these funds will be used to promote job creation in markets served by M&I Bank.”

First-Ring Industrial Redevelopment Enterprise (FIRE) is a collaborative entity designed to revitalize Southeastern Wisconsin’s abandoned industrial properties. FIRE will use its \$70 million in capital to invest in office, mixed-use, community facility, retail and industrial developments designed to rehabilitate abandoned, contaminated and blighted industrial sites and promote sustainable development.

“Obtaining financing today is probably one of the best tools to help businesses leverage loan approvals and create jobs,” said FIRE President John F. Stibal.

The Milwaukee Economic Development Corporation (MEDC) will use its \$25 million allocation to increase the amount of low-interest loans to business and real estate developers for asset purchases, real estate development, and mixed-use developments in Milwaukee’s low-income communities where the need is great and access to capital is limited. MEDC lends predominantly to minority businesses, using a revolving fund that allows it to increase assistance beyond the allocation. The favorable loan terms that MEDC will be able to offer include: below market interest rates, no fees, interest-only payments until expiration, higher than market loan-to-value ratios and amortization periods, and very low debt service coverage ratios.

“As a member of Congress, I fought to establish the New Markets Tax Credit as a tool to encourage investment in low-income communities that lack access to capital,” said Mayor Tom Barrett. “The allocations to MEDC and other local community development financial institutions ensure that this tool is put to work to rebuild the economy of Milwaukee’s central city, creating jobs and opportunity.”

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